

Factors Affecting Implementation of Public Procurement Act in SACCO Societies in Kenya

Gikonyo Peter Kiama

School of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, P. O. Box 62000-00200, Nairobi, Kenya.

Email: Kiamagikonyo19@gmail.com

DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v4-i2/614>

Published Date: 10 February 2014

Abstract

The directive by the SASRA, to adhere to public procurement is aimed at increasing effectiveness and efficiency and thus enhance competitiveness. The adherence to procurement procedure would ensure the public organization gets the value for money through quality services, good and works, but this has not been effective in other sectors as is expected. The main aim of the study was to assess factors affecting implementation of the public procurement in SACCO societies in Kenya where the main variables include strategic planning, enforcement and organizational culture. Through a descriptive research design, the study targeted procurement officers and general managers working with SACCOs societies which have FOSA. Stratified random sampling technique will be used to select a sample of 20% which makes a sample size of 86 respondents. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The findings revealed that 55% of the respondent believes that the impact of the regulator on SACCO is high, .The findings reveals that on the issue of the SACCO culture favors good procurement procedures, 53% of the respondent strongly agree. On recommendation, the researcher observed that Procurement process should uphold integrity and ensure that there are no malpractices and there is informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met.

KeyWords: Public Procurement, Implementation, Strategic Planning, SACCO.

Introduction

This chapter provides the background information of the study. It comprises of the statement of the problem, the objective of the study, justification, limitation, scope and the conceptual framework of the study. Procurement is an important part of efficient management and supply of input and is critical for all levels of any institution. An effective procurement process ensures the availability of the right material in the right quantities, available at the right time, for the right purpose and at reasonable prices, and at recognizable standards of quality (WHO

2007).The regulations are reinforcing professionalism by providing comprehensive performance standards, continuous monitoring and evaluation through regulatory reports. The SASRA 2010 and 2011 reports, shows that SACCOs has greatly invested in systems, product development and service to members to remain competitive. In improving public procurement in Kenya as well as reform initiatives have centered on making the acquisition process more efficient, essentially by blocking legal and procedural loopholes believed to be avenues for waste and corruption in the system.

Consequently, much effort has been devoted in bringing together existing procurement regulations, including directives, into a single document the Public Procurement and Disposal of Assets Act, 2005 and to making this document clearly understood, easily accessible by and properly enforceable. The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others. This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization. The importance of public organizations as an entity designed to serve the public, along with the imperative for public accountability, makes studying the problems associated with the public sector essential (Trionfetti, 2000).

The need to have coherent methods of performance of the procurement function in public entities, particularly in developing countries, has never been as sound as it is now. Delaying will worsen the already deteriorating performance, loss of professionals, and organizations will continue incurring unnecessary costs .In most developing countries, the procurement function is transitioning from a clerical non-strategic unit to an effective socio-economic unit that is able to influence decisions and add value (Knight, Harland, Telgen, Thai, Callender, & Mcken, 2007). One of the basic rules of procurement is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004).According to WOCCU statistical report 2009, Africa Sacco has a membership of 16million making it third in membership size after North America and Asia which have 102 million and 36 million respectively. In addition, Africa has a total Sacco savings worth USD 4.4b and loans of USD3.9b. Of the total savings mobilized by SACCOs in Africa andloans advanced, Kenya contributes up to 62% of thesavings and 65% of the Sacco loans. In most of the African countries, regulation andsupervision of SACCOs are under the Banking supervisory or rather the central banks. Kenya establishedan independent regulator with specific regulations- Sacco Societies Act, 2008, and hence establishment of Sacco Societies Regulatory (SASRA) to Regulate and supervise Sacco societies.

Statement of the Problem

The continued improvement in governance of SACCOs is enhancing competition in the SACCO subsector and those who cannot measure up are inevitably loosing members to more successful and competitive SACCOs. The regulations are reinforcing professionalism by providing comprehensive performance standards, continuous monitoring and evaluation through regulatory reports. The SASRA 2010 and 2011 reports, shows that SACCOs has greatly invested in systems, product development and service to members to remain competitive. On the other hand, to enhance transparency and accountability SASRA has directed the

SACCOs to use public procurement guidelines as provided by the public procurement and disposal Act of 2005. Many public procurement activities suffer from neglect, lack of direction, poor co-ordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. The directive by the SASRA, to adhere to public procurement is aimed at increasing effectiveness and efficiency and thus enhance competitiveness. Sacco's have lost members due to failure to implement public procurement procedure. The adherence to procurement procedure would ensure the public organization gets the value for money through quality services, good and works, but this has not been effective in other sectors as is expected (KPMG, 2008). This therefore forms the basis of this study where it seek to assess the factors affecting implementation of public procurement in the Sacco societies in Kenya.

Research Objectives

General Objective

The main aim of the study was to assess factors affecting implementation of the public procurement in SACCO societies in Kenya.

Specific objectives

- i. To assess the effect of strategic planning on implementation of public procurement by the Sacco societies
- ii. To assess the effect of regulation enforcement on implementation of the public procurement by the Sacco societies
- iii. To assess the effect of organization culture on implementation of public procurement by the Sacco societies.

Research Questions

- i. What is the effect of strategic planning on implementation of public procurement in the Sacco societies?
- ii. What is the effect of regulation enforcement on implementation of the public procurement in the Sacco societies?
- iii. How does organization culture affect the implementation of public procurement in the Sacco societies?

Justification of the study

The cooperatives have an immense potential to deliver goods and services in areas where both the public and the private sector have not ventured. Therefore, their main objective is to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving cooperative extension service delivery, corporate governance, access to markets and marketing efficiency. The study enlightened the researcher to identify the practical factors that affecting adoption/implementation of public procurement by Sacco societies in Kenya. The government will also use this study to identify the challenges facing implementation of public procurement by organizations and formulate that facilitate successful adoption of these systems. Future researchers will use this study to build on future research problems. This might be identifying similar areas of further study based on the present research.

1.7 Scope of the study

The study was done to investigate the factors affecting implementation of public procurement systems in Sacco organizations in Kenya. A survey of metropolitan Sacco

societies Nairobi was done. Nairobi being the capital city of Kenya, there are more than 200 Saccos are in the metropolitan Investigation was done in the procurement department of the organizations under investigation.

LITERATURE REVIEW

Introduction

This chapter reviews the theoretical aspect of the study, it's the secondary data of the research and it is carried out to give the theoretical account of the study. It focuses on the review of past studies on the topic of the research study from a global and Kenyan perspective. It also covers the objectives of the study acknowledging the sources of the information about the objectives, the critical analysis of the theoretical review and the summary of the research study.

Theoretical Review

Theory of Transformation

According to the theory of transformation, there will be a profound change in structure that creates something new. In the case of the microfinance transformation, the system of profound knowledge provides the method for transformation (Parry, 1996). Transformation occurs through a system of continual questioning, challenging, exploration, discovery, evaluation, testing, and creation of an organization's management theory and application; beginning with the realization or revelation that the organization's current thinking (management theory) is incomplete, limiting, flawed, or even worse destructive. In transformation, there is no known destination, and the journey has never been traveled before. However this can be reviewed from other secondary sources to acquire knowledge of the process (Parry, 1996). It is uncertain and unpredictable. It embraces new learning and taking actions based on the new discoveries.

Review of the Variables

Strategic Planning

The strategic plan is a key performance management tool; a corporate vision provides the general direction for the entire organization (Coopery and Burgoyne 2011). Since the global financial crisis, the change imperative has come to the fore for many organizations and has been the focus of many boardroom, senior management, and strategists' meetings and discussions key to setting the strategic plan. No industry sector, public sector organization, or government department has escaped the change. Strategic changes entail transformation in the form, quality, or state overtime in an organization's alignment with its vision and hence suit its external environment (Bartley, 2011).

According to Agaba & Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process. Economic commission of Africa (2003) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate

for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivered.

Regulation Enforcement

Enforcement could be broadly viewed as any actions taken by regulators to ensure compliance (Zubcic and Sims, 2011). There are mixed opinions regarding the effect of enforcement on compliance. Some scholars such as Sparrow (2000, 1994) doubt the direct effect of enforcement on compliance. They argue that enforcement may make violators more sophisticated in how to prevent, and conceal detection by the Gikonyoities. However many other scholars agree that enforcement improves compliance (Gunningham and Kagan, 2005; Imperato 2005; Sutinen and Kuperan, 1999; Zubcic and Sims, 2011). According to Zubcic and Sims (2011), enforcement action and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela has been linked to a weak enforcement of the rule of law (Nwabuzor, 2005) as cited in Raymond (2008). A study on corporate governance in Africa revealed that countries such as Nigeria and Ghana suffer from weak law enforcement mechanisms (Okeahalam, 2004).

In counties with complaint and review mechanisms, bidders are allowed to verify whether the procurement processes conform to the prescribed procedures. The possibility of review is also a strong incentive for procurement officials to abide by the rules (Hui et al 2011). Firms might choose to implement ineffective compliance systems if legal violations may be profitable in cases where the legal system under-enforces, either because penalties are set too low or because detection is imperfect or ineffective. Gunningham and Kagan (2005) argue that the threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs. This is also supported by Gunningham and Kagan (2005) who opined that the outcome of sustained enforcement action instilled a culture of compliance and had a direct impact on corporate compliant behavior. Sutinen and Kuperan, (1999) further argue that coercive enforcement measures remain an essential ingredient in any compliance regime. We therefore make the second proposition.

The trend of globalization has a significant influence on how a domestic business shapes their strategy to compete with foreign forces. Government policies and regulations has greatly influenced the flow of business activities and operations (Hitt, et al. 2011).

Organization Culture

Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum (Lisa, 2010). Basing on the competing values model (hierarchical culture), which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures (Zammuto and Krakower, 1991) as cited in Parker and Bradley (2000). Although there is no single definition of culture, one can define it as 'the structure of behaviors, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behavior' (Rice, 2007).

According to Lisa, (2010), culture plays a central role in the compliance process and associated outcomes. Conducted a study on culture in Uganda's public sector and depicted culture as a hindrance to reforms. It is also contended that in a specific type of culture, characterized by

specific values such as openness, trust and honesty (Arjoon, 2006) as cited in Lisa, (2010), employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance. Parker and Bradley (2000) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This leads us to the following proposition.

Implementation of Public Procurement

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

Sound public procurement policies and practices are among the essential elements of good governance (KIPPR, 2006). Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation.

The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

Empirical Review

Karjalainen et al (2009) contend that very little research has so far been conducted on organizational misbehaviors and non-compliance in purchasing and supply management. This is surprising given that public procurement has been employed as a vital instrument for achieving economic, social and other objectives (Arrowsmith, 1998), and is regrettably an area vulnerable to mismanagement and corruption (OECD, 2007). Besides, most of the studies on public procurement compliance have been conducted outside Uganda and mostly in the developed world.

In Uganda, a wave of procurement reforms that begun in 1997, culminated into the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act 2003, and regulations 2003. Unfortunately, many central government ministries and agencies have since then not followed prescribed practices (Agaba & Shipman, 2007). The procurement audits carried out by the PPDA have revealed that out of 322 contracts audited at the end of 2005, only 7 (2%) were assessed as compliant. Other successive audit checks reveal that compliance in public procurement in Uganda is still inadequate (PPDA compliance reports, 2009; PPDA Baseline survey report, 2010).

Gelderman et al;(2006) stipulate that compliance occurs when the target performs a requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort. However, as an organizational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation.

According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that public procurement represents 18.42% of the world GDP. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure.

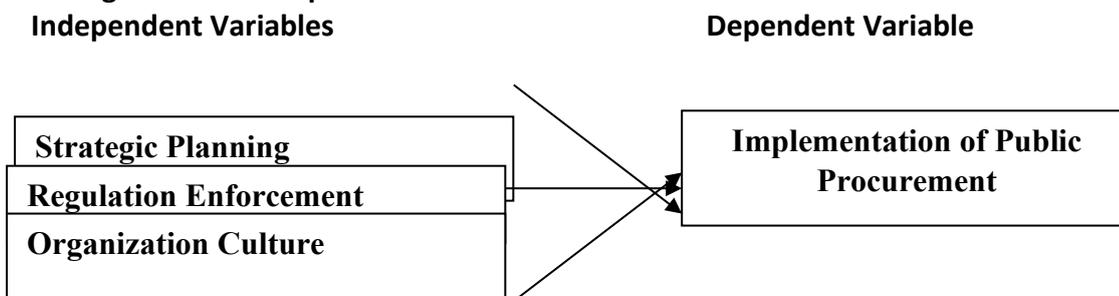
Critique on the existing literature

As mentioned, public procurement is a multi-faceted challenging field; and public procurement practitioners have faced numerous challenges caused by diverse factors. The literature above takes concern on Strategic Planning, Regulation Enforcement and Organization Culture as the main factors that influence the implementation of public procurement in Sacco societies. Although they have effect on implementation , challenges and each Sacco society has its own economic, social, cultural and internal political environment, and each of their public procurement practitioners face different types of challenges, or the same types of challenges but at different levels from their counterparts in other Sacco societies. The literature does overlooks these important issues that could actually hinder implementation of the public procurement.

Conceptual Framework

This section assesses the research variables derived from literature to test whether there are significant relationships between the independent variables and the dependent variable. It focuses on the determinant variables identified in the study, which would be associated with implementation of public procurement. In this research, the explanatory variables have been classified as; planning, enforcement and organization culture.

Figure 2.1: Conceptual Framework



Like any other study, this study has some limitations. For example, the current proposed model did not incorporate all the variables that influence public procurement compliance.

Future research should increase the scope and go beyond the proposed framework by incorporating other variables such as implementation, organizational reforms, job rotation and Information and Communication Technology (ICT). Secondly, this study was theoretical and did not empirically test the nature and strength of the relationships between the antecedents and public procurement compliance and its consequences. Future research should conduct an empirical investigation to test the nature and strength of these relationships. Future empirical studies should also adopt quantitative analysis such as regression analysis in order to ascertain the variation in public procurement compliance that is explained by its proposed antecedents in the conceptual framework.

Summary

Many public procurement activities suffer from neglect, lack of direction, poor co-ordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. Inflexible and bureaucratic systems of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt.

In improving public procurement in Kenya as well as reform initiatives have centered on making the acquisition process more efficient, essentially by blocking legal and procedural loopholes believed to be avenues for waste and corruption in the system. Consequently, much effort has been devoted in bringing together existing procurement regulations, including directives, into a single document the Public Procurement and Disposal of Assets Act, 2005 and to making this document clearly understood, easily accessible by and properly enforceable. These efforts remain valid and justified especially considering the general legislative and regulatory weakness that has characterized procurement in Kenya's public sector over the last four or so decades

RESEARCH METHODOLOGY

Introduction

This chapter presents the methodology of the study. It comprises of the research design, the type and source of data to be collected, sampling techniques used, and how data was analyzed and presented.

Research Design

This study adopted a survey research design. A survey research design was way of collecting information or administering questionnaires to a sample of individuals. (Orodho, 2003) This design was particularly useful in establishing the factors affecting implementation of the public procurement in SACCO societies in Kenya. Since this study covered several organizations, survey design was best suitable. According to Chandra (2004) Surveys are relatively inexpensive (especially self-administered surveys), Surveys are useful in describing the characteristics of a large population and no other method of observation can provide this general capability. The type of data collected was both quantitative and qualitative. Questionnaires and interviews were used to gather information; policy documents were also be used. A sample of the target population was taken and data was collected and analyzed.

3.3 Population

A population is an entire group of individuals, events or objects having common characteristics that conform to a given specification (Mugenda & Mugenda, 2003). According to Sanders et al. (2003), the population is the full set of cases from which a sample was taken. The target population for this study was procurement officers and general managers working with SACCO societies which have Front Office Service Activities (FOSAs) whose total number is 215 as at December 2011.

3.3 Sampling frame

The sampling frame describes the list of all population units from which the sample was selected. The sampling frame of this study was all the SACCO society which has FOSA in Nairobi Kenya

Table 3.1: Target Population

Category	Population	Percentage	Sample Size
Society Procurement Officer	215	20	43
Society General Manager	215	20	43
Total	460		86

3.4 Sample and Sampling Technique

According to (Mugenda & Mugenda, 2003), sampling procedure refers to a systematic process of selecting individuals to represent the larger group from which they were selected. The researcher used stratified sampling approach to cover the total population. SASRA has 215 SACCOS which operates FOSA. The Sacco's procurement officers and general manager was the target of this study. This brought a total target population of 430 Individuals.

Writers have conducted research on the sample size to assist researchers in sampling design so that error might be reduced to reach higher level of confidence in the estimate. Kothari (2004) express that a sample size of between 10% and 20% is considered adequate for detailed or in-depth studies. Hence, this study will sample 20% of the entire population of SACCO societies with FOSA. From the target population of 430 individuals 20% will yields a sample size of 86 respondents.

A sample is a proportion of the target population that is representative of the whole population from which it is drawn in order to generalize the research findings (Orodho 2003). The main advantage of sampling is that it is difficult to observe the whole population; therefore sampling helps to reduce costs and time related to observing the entire population as is the case in census.

3.5 Instruments

The main instruments for data collection in this research were through questionnaires. The research administered questionnaires to the manager and chairperson in the study organization. The choice of questionnaires as a data collection tool was arrived at after a close and in-depth consideration of the research goals and the target group.

3.6 Data Collection Procedure

According to Chandran (2003), Questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. They are useful in a descriptive study where there is need to quickly and easily get information from people in a non-threatening way.

Primary data was collected using questionnaires which contained closed and open ended questions and also likert-scale type of questions to determine the factors affecting implementation of public procurement in co-operative societies. Secondary data was collected from financial records of the co-operative societies, internet and libraries.

3.7 Reliability and validity

Harper (2002) argues that for a questionnaire to produce useful results, it must have validity and reliability. If the questionnaire can actually test what it is intended for, it refers to validity, whereas, reliability measures the relevance. To test the reliability and validity of the questionnaire, a pretest was carried out. The questionnaire was administered to 6 respondents not in the study sample so as to establish whether the questionnaire measures what it purports to measure (Chandran, 2004).

3.8 Data Analysis

Data for this research was both qualitative and quantitatively. Qualitative data analysis involved explanation of information obtained from the empirical literature. This was done through discussion and explanation of study findings. Quantitative analysis was done for the numerical data obtained from the field. This was done using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 19.0. The responses in the questionnaire was coded into common themes to facilitate analysis. The coded data was then entered into SPSS program to generate measures of central tendency (mode and mean) and measures of dispersion such as percentages and ranks. Some analysis was also be in the form of notes.

3.9 Ethical Considerations

Sommer and Sommer (2007) argue that ethical considerations such as confidentiality, anonymity and avoidance of deception are very important issues in social research. The researcher assured confidentiality to the respondents and affirmed that the study was made for purposes of accomplishing academic goals. Permission was sought from relevant authorities and letters granted to allow carrying out the research. Trochim (2006) elucidated that researchers should acknowledge sources of information collected from textbooks and research materials. This study used secondary data that has been published in accordance with accountability measures. For the purpose of this study and in keeping with ethical standards in the conduct of research respect for copyright of the published data, consent and confidentiality was accorded (Arthurs, 2005). The researcher acknowledged all sources of information from other scholars.

DATA ANALYSIS, PRESENTATIONS AND INTERPRETATION

4.1 Introduction

This chapter comprises of data analysis, presentation and interpretation of the findings. The data presented includes response rate, background information of the respondents and a presentation of findings against each individual objectives of the study. The data analyzed and presented was based on the responses to the items in the questionnaires and interview schedules. Descriptive statistics are also used in analyzing the findings of this research project.

4.1.1 Response Rate

In the study, 86 questionnaires were administered to the staff at metropolitan Sacco societies Nairobi. Out of the 86, 75 were successfully filled and returned and as such, they were considered as the sample with a response rate of 88%. Such a response rate is viewed as being highly favorable according to Mugenda and Mugenda (2003) who assert that a response rate of 50% is adequate, 60% good and above 70% may be rates as being very good. This, in a nutshell implies that the respondents were an adequate representation of the entire targeted population.

4.2 Presentation and Findings

4.2.1 Background Information

The research analyzed the background of the respondent using the following parameters gender, level of education, age, and duration each respondent have been a working with the SACCO. The result were summarized and presented as follows.

4.2.2 Gender of the Respondent

Different gender has different opinions about various issues. The researcher wanted to find out the views of different gender interviewed. The findings are as indicated in table 4.1

Table 4.1 Gender of the Respondent

	Frequency	Cumulative Frequency	Percentage
Female	40	40	53
Male	35	75	47
Totals	75	75	100

The finding shows that 53% of the respondents were female and 47% of the respondents were males. This implies that more females were interviewed during the research.

4.2.3 Level of Education

Education level have an impact on how people respondent to different opinions. The researcher sought to establish the education level of the respondent. The findings are indicated in table 4.2.

Table 4.2 Level of Education

Level Of Education	Frequency	Cumulative Frequency	Percentage
Diploma	25	25	33
Degree	40	65	53
Postgraduate	10	75	14
Totals	75	75	100

The finding reveals that 33% of the respondents have education level of diploma, 53% of the respondents are degree holders and 14% of the respondents were postgraduate. This shows that majority of the respondent were degree holders.

4.2.4 Age of the Respondent

The age of the respondent is important in research as people who are old in age may have different opinion than young people due to experience gained. Also people of different age may have varying ideas about certain issues. The researcher wanted to determine age of the respondent and the results are as indicated in table 4.3.

Table 4.3 Age of the Respondent

Age	Frequency	Cumulative Frequency	Percentage
Below 30 Years	15	15	20
Between 30 to 40 Years	30	45	40
Between 41 and 50 Years	20	65	26
Over 51 Years	10	75	14
Totals	75	75	100

The finding reveals that 20% of the respondents are aged below 30 years, 40% of the respondents are aged between 30 – 40 years, 26% are aged between 40 – 50 years and 14% are aged over 51 years. This study shows that majority of the respondent are aged between 30 – 40 years.

4.2.5 Duration of Time You Have Worked With the SACCO

The time one has been working in the Sacco is helpful because one gain experience about the SACCO and will be able to understand how the SACCO works and operates. The findings on the duration as tabulated in table 4.4

Table 4.4 Duration of Time You Have Worked With the SACCO

Duration	frequency	Cumulative frequency	Percentage
Less than 1 year	10	10	14
1-5 years	25	35	32
6-10 years	30	65	40
Over 10 years	10	75	14
Totals	75		100

The findings revealed that 14% of the respondent have worked at the SACCO for a period of less than 1 year, 32% of the respondent have worked at the SACCO for a period of between 1 – 5 years, 40% have worked at the SACCO for a period of between 6 – 10 years and 14% of the respondent have worked at the SACCO for amore than ten years. This show that majority of the respondent have worked at the SACCO for a period of between 6 – 10 years.

4.3 The Influence of Strategic Planning

4.3.1 Awareness of the SACCO Strategic Plan

Sacco strategic plan is a guide that guides the SACCO to attain it objectives. The researcher wanted to determine if the respondent were aware of the existence of the SACCO strategic plan. The findings are shown in table 4.5.

Table 4.5 Awareness of the SACCO Strategic Plan

	Frequency	Percentage
Yes	70	94
No	5	6
Total	75	100

The findings indicate that 94% of the respondents were aware of the SACCO strategic plan and 6% were not aware. This shows that majority of the respondent were aware of the SACCO strategic plan.

4.3.2 Extent to Which 'The SACCO Vision Is Achievable

The researcher wanted to find out how the respondent feels about whether it is possible to achieve the SACCO strategic plan. The findings are shown in fig 4.1.

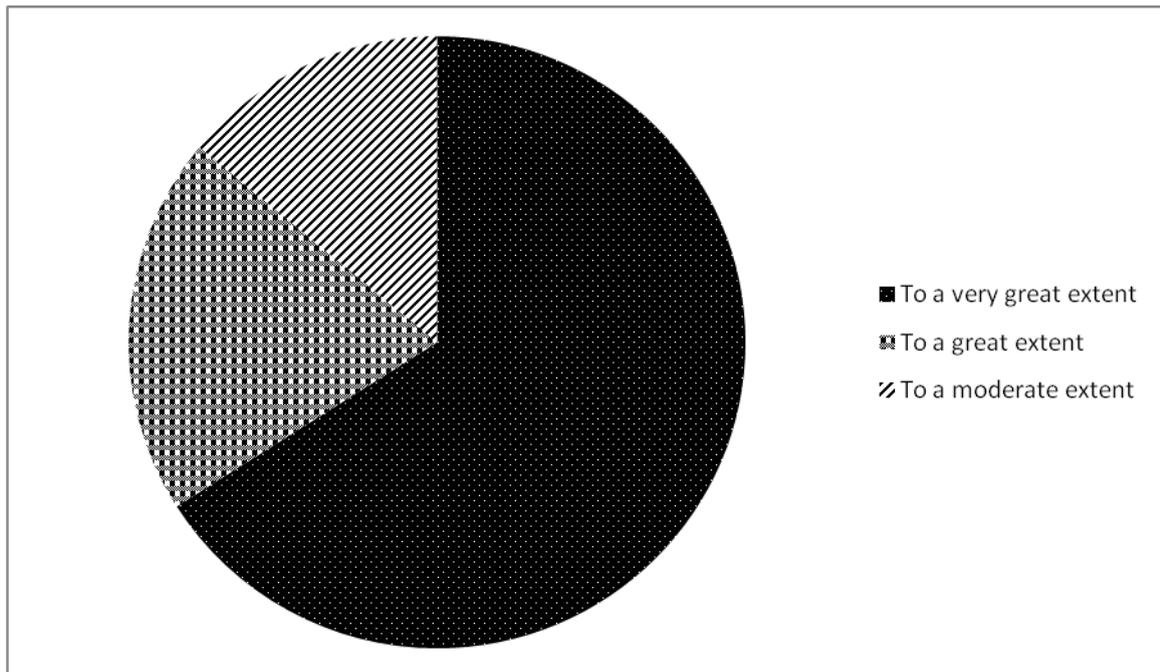


Fig 4.1 Extent to Which 'The SACCO Vision is Achievable

The result indicates that majority of the respondent at 66% believes that to a very great extent that the SACCO strategic plan is achievable, 20% of the respondent believes to a great extent that the SACCO strategic plan is achievable and 14% to a moderate extent. This shows that the SACCO strategic plan is achievable.

4.3.3 Level of Agreement on the Following Statement Relating With the SACCO Strategic Planning

Strategic plan is measured using various variables. To determine whether it is achievable the researcher set some statement relating to the SACCO strategic plan and sought to establish how the respondents agree with the statements. The findings are shown in fig 4.2.

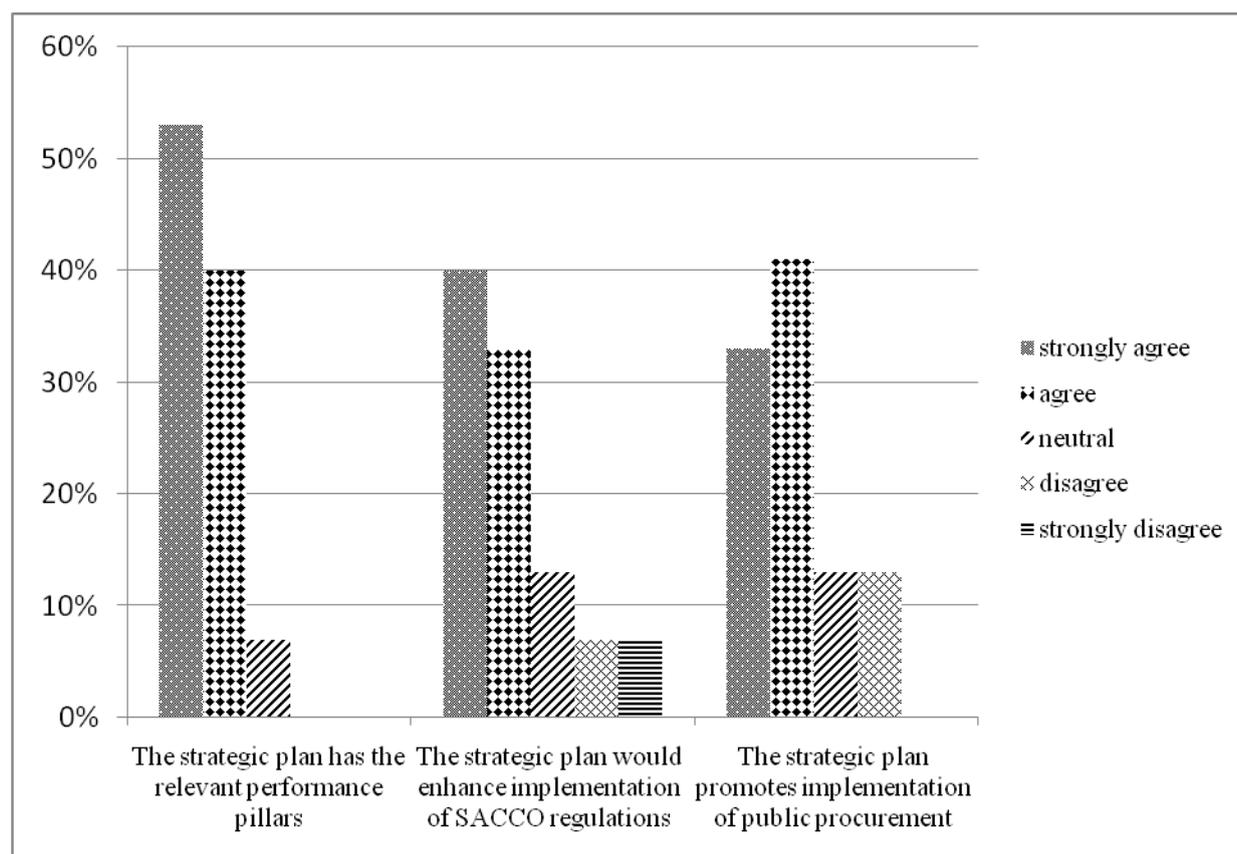


Fig 4.2 Level of Agreement on the Following Statement Relating With the SACCOS Strategic Planning

The findings indicate that on the issue of the strategic plan have the relevant performance pillars 53% of the respondents agree to a very great extent, 40% of the respondent agreed with 7% of the respondent remaining neutral. This indicates that the majority of the respondent at 53% believes that the strategic plan contains the relevant performance pillars.

On the issue that the strategic plan would enhance implementation of SACCOS regulations, 40% of the respondent agrees to a very great extent, 33% of the respondent agreed and 13% were neutral. A minority of the respondent at 7% disagreed and another 7% strongly disagreed with the statement. These findings revealed that a majority of the respondent at 40% strongly agree with the statement that the strategic plan would enhance implementation of the SACCOS regulation.

The statement that the strategic plan promotes implementation of public procurement, 33% of the respondents strongly agree with the statement, 41% of the respondent agree and 13% were neutral. Only 10% of the respondent disagreed with the statement. The findings show that a majority of the respondent agreed with the statement that the strategic plan promotes implementation of public procurement.

4.4 The Influence Regulation Enforcement

4.4.1 Rate of the Impact of the Regulator on the SACCOS

The SACCOS regulator set rules and laws that should be followed when running the SACCOS. The researcher wished to establish the impact of the regulator on SACCOS. The findings are indicated in fig 4.3.

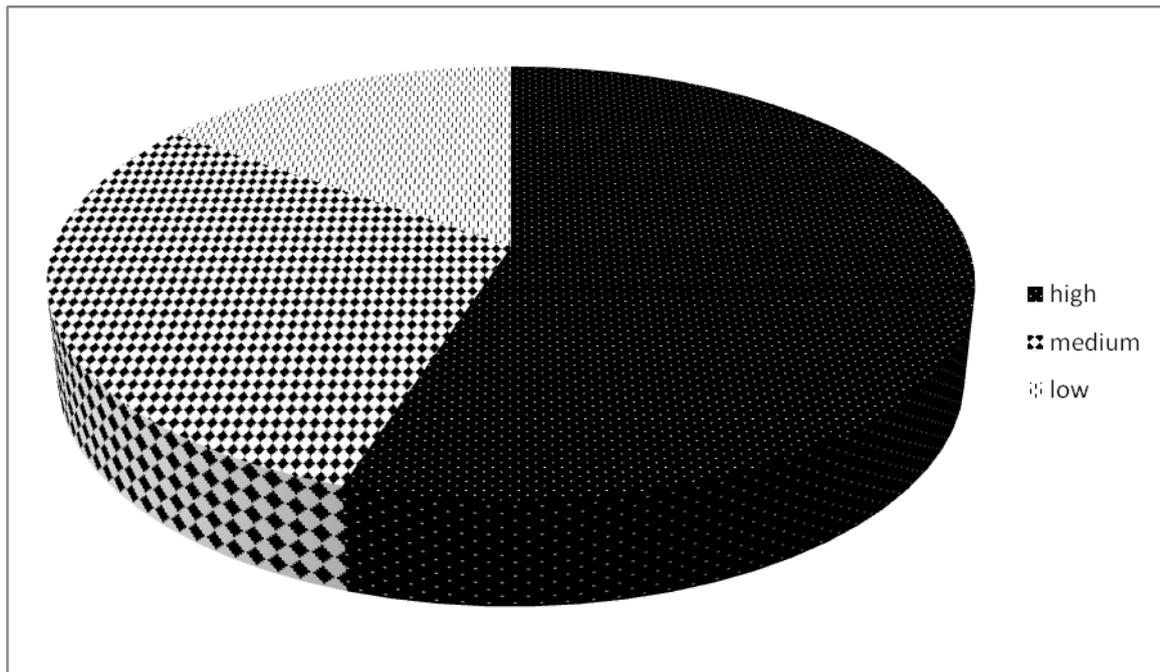


Fig 4.3 Rate of the Impact of the Regulator on the SACCOS

The findings revealed that 55% of the respondent believes that the impact of the regulator on SACCO is high, 30% of the respondent believes the impact of the regulator on SACCO is medium and 15% of the respondent rated the impact of the regulator on SACCOS a low. This shows that the impact of the regulator is high on SACCOS.

4.4.2 Extent to Which the Following Items As They Relate With Regulations

Regulator may set guideline on how various things ought to be done in running the organization. The researcher wanted to establish how various items relating to regulations influence the running of the SACCO. The findings are indicated in fig 4.5.

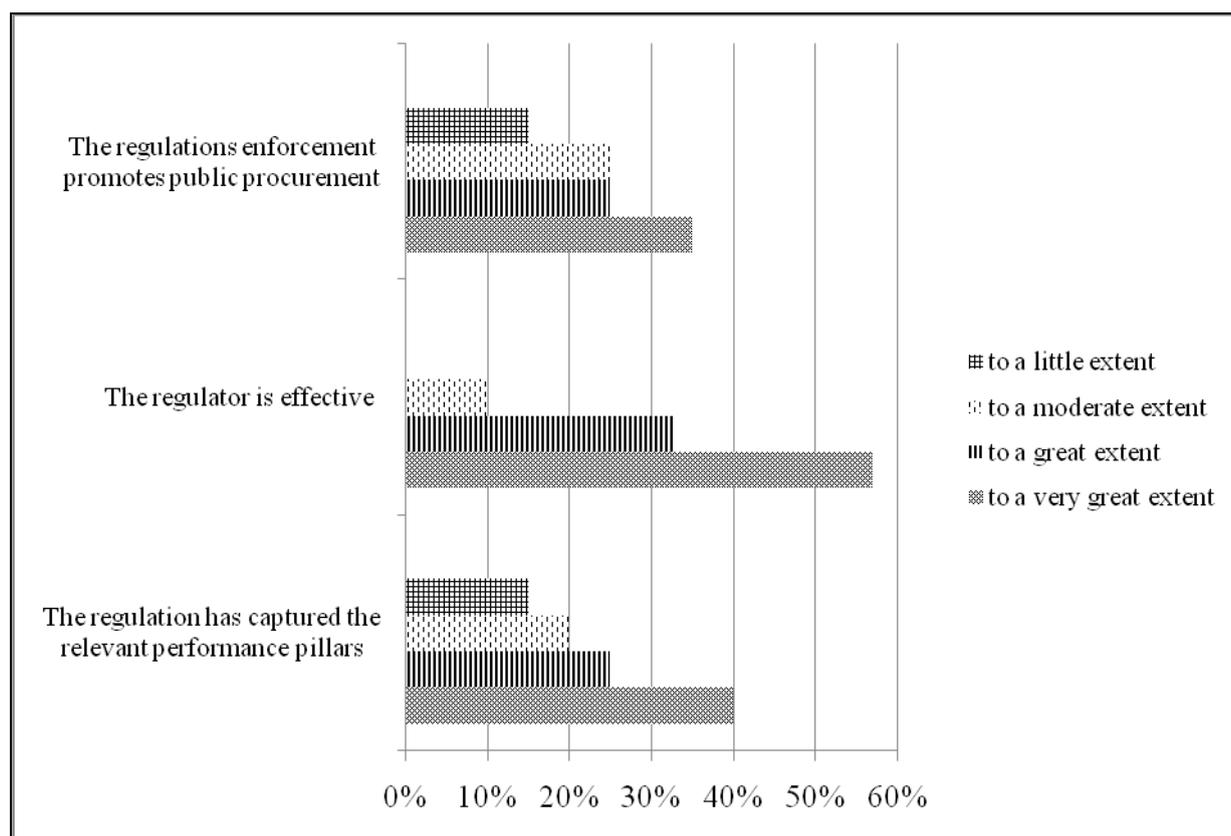


Fig 4.4 Extent to Which the Following Items As They Relate With Regulations

The result reveals that on the issue that the regulation has captured the relevant performance pillars, 40% of the respondent agrees to a very great extent, 25% of the respondents agree to a great extent, 20% agree to a moderate and 15% of the respondents agree to a little extent. The findings conclude that majority of the respondent at 40% agree to a very great extent that the regulation has captured the relevant performance pillars.

The issue that the regulator is effective, 57% of the respondents agree to a very great extent, 33% of the respondents agree to a great extent and 10% of the respondents agree to a moderate. This findings shows that the majority of the respondent at 57% agree with the statement that the regulator is effective.

About the issue that the regulations enforcement promotes public procurement, 35% of the respondents agree to a very great extent, 25% of the respondents agree to a great extent, another 25% agree to a moderate extent and 15% of the respondent agree to a little extent with the statement. This concludes that the regulators enforcement promotes public procurement.

4.5 The Influence of Organizational Culture

4.5.1 Rating on the SACCO Procurement Planning

Organization culture determines how things are done and run in the organization. Procurement may be one of the things and procurement planning may be determined by the organization culture. The researcher wanted to find out the rating on procurement planning. The results are indicated in table 4.6.

Table 4.6 Rating on the SACCO Procurement Planning

Frequency	Cumulative Frequency	Percentage
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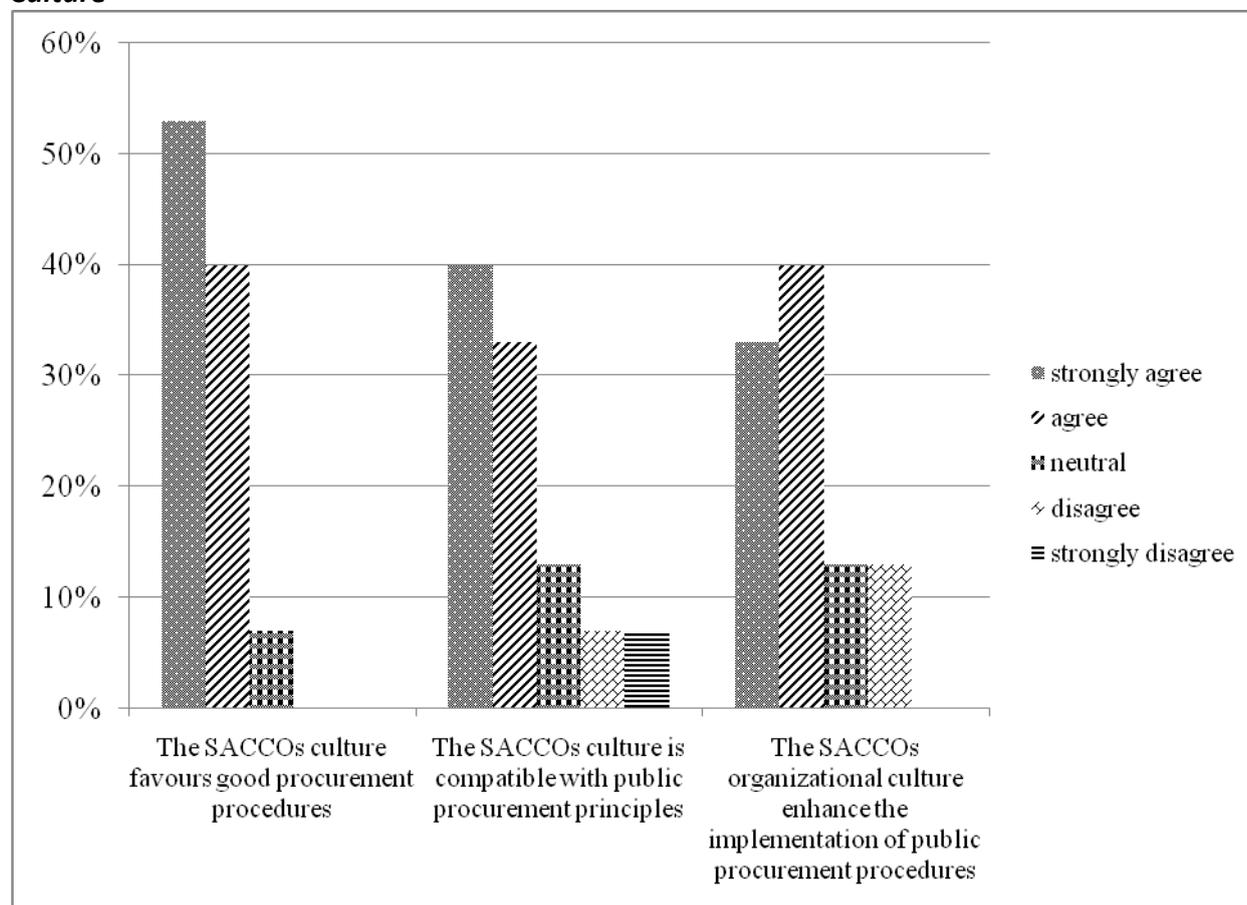
Good	50	50	66
Neutral	25	75	34
Poor	0	0	100
Totals	75	75	100

The finding reveals that 66% of the respondent rate procurement planning good, 34% of the respondent rate procurement planning neutral. These findings show that the organization procurement planning is good.

4.5.2 Extent You Agree With the Following Statement Relating With Organizational Culture

Organization culture is determined by how things are run and done in the organization. To rate the organization culture in the organization there must be set guide line which determines the organization culture. The researcher wished to find out how the respondent would rate statements relating to organization culture. The findings are as indicated in fig 4.4.

Fig 4.5 Extent You Agree With the Following Statement Relating With Organizational Culture



The findings reveals that on the issue of the SACCO culture favors good procurement procedures, 53% of the respondent strongly agree with the statement, 40% of the respondent agree with the statement and 7% of the respondent remained neutral. This revealed that the SACCO culture favor’s good procurement procedures.

On the issue that the SACCO culture is compatible with public procurement principles, 40% of the respondent strongly agrees with the statement, 33% agree with the statement, 13% of the respondent were neutral with 7% disagreeing with the statement and 7% strongly

disagreeing with the statement. The findings showed that the SACCO culture is compatible with public procurement procedures.

About the issue that the SACCOs organizational culture enhances the implementation of public procurement procedures the findings revealed that, 33% of the respondents strongly agree with the statement, 40% of the respondent agreed with the statement, with 3% remaining neutral and another 13% of the respondent disagreeing with the statement. This shows that according to the majority of the respondent at 40% the SACCO organization culture enhances the implementation of public procurement procedures.

4.6 Implementation

1. On the open ended question on the far the organization has gone on the implementation of the procurement regulations. This question was aimed at finding out whether the respondents are aware of any implementation taking place.

On the analysis majority of the respondents in their remarks implied that the implementation has commenced and is in the process of implementation. This implies that they are aware of procurement implementation in the organization.

CONCLUSION AND RECOMMENDATIONS

5.2 Summary of the Major Findings

5.2.1 Background Information

This study sought to evaluate the factors affecting implementation of the public procurement in SACCO societies in Nairobi Kenya. The major variables of discussion are: to assess the effect of strategic planning on implementation of public procurement by the SACCO societies, to assess the effect of regulation enforcement on implementation of the public procurement by the SACCO societies and to assess the effect of organization culture on implementation of public procurement by the SACCO societies.

The response rate was 88%. The finding shows that majority of the respondent were female at 53%. Further, the findings indicated that 53% of the respondents are degree holders. The study revealed that majority of the respondent is aged between 30 – 40 years representing 40% of the respondent. Majority of the respondent at 40% have worked at the SACCO for a period of between 6 – 10 years.

5.2.2 Effect of Strategic Planning On Implementation of Public Procurement by the SACCO Societies

The findings indicate that 94% of the respondents were aware of the SACCO strategic plan, majority of the respondent at 66% believes that to a very great extent that the SACCO strategic plan is achievable. on the issue of the strategic plan have the relevant performance pillars 53% of the respondents agree to a very great extent, On the issue that the strategic plan would enhance implementation of SACCO regulations, 40% of the respondent agrees to a very great extent. The findings shows that majority of the respondent at 41% agreed with the statement that the strategic plan promotes implementation of public procurement. Majority of the respondents on the open end question indicated that they are still in the process of implementation of the procurement regulations.

5.2.3 Effect of Regulation Enforcement on Implementation of the Public Procurement by the SACCO Societies

The findings revealed that 55% of the respondent believes that the impact of the regulator on SACCO is high. The result reveals that on the issue that the regulation has captured the relevant performance pillars, 40% of the respondent agrees to a very great extent. The issue that the regulator is effective, 57% of the respondents agrees to a very great extent. About the issue that the regulations enforcement promotes public procurement, 35% of the respondents agree to a very great extent.

5.2.4 Effect Of Organization Culture On Implementation Of Public Procurement By The SACCO Societies

The finding reveals that 66% of the respondent rate procurement planning good. The findings reveals that on the issue of the SACCO culture favors good procurement procedures, 53% of the respondent strongly agree with the statement. On the issue that the SACCO culture is compatible with public procurement principles, 40% of the respondent strongly agrees with the statement. About the issue that the SACCOs organizational culture enhances the implementation of public procurement procedures the findings revealed that 40% of the respondent agreed with the statement.

5.3 Conclusion

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Sound public procurement policies and practices are among the essential elements of good governance. Irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. The basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should uphold integrity and ensure that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. The Procurement practice should be responsive to aspirations, expectations and needs of the target society.

Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum in recent years. Basing on the competing values model which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures.

Culture plays a central role in the compliance process and associated outcomes. Culture may be a hindrance to reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance. Awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This leads us to the following proposition.

Enforcement could be broadly viewed as any actions taken by regulators to ensure compliance. There are mixed opinions regarding the effect of enforcement on compliance. There is a direct effect of enforcement on compliance. Enforcement may make violators more sophisticated in how to prevent, and conceal detection by the authorities. Enforcement improves compliance. Enforcement action and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries has been linked to a weak enforcement of the rule of law.

In countries with complaint and review mechanisms, bidders are allowed to verify whether the procurement processes conform to the prescribed procedures. The possibility of review is also a strong incentive for procurement officials to abide by the rules. Firms might choose to implement ineffective compliance systems if legal violations may be profitable in cases where the legal system under-enforces, either because penalties are set too low or because detection is imperfect or ineffective. The threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs. The outcome of sustained. Enforcement action instilled a culture of compliance and had a direct impact on corporate compliant that coercive enforcement measures remain an essential ingredient in any compliance regime. We therefore make the second proposition.

5.4 Recommendations

Procurement process should uphold integrity and ensure that there are no malpractices and there is informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. This can be attained proper strategic planning. The need for organizations to reposition themselves in the face of changing competitive conditions by aligning the vision mission and goals.

The Regulation Enforcement will ensure the Procurement practice should be responsive to aspirations, expectations and needs of the target society. The trend of globalization has a significant influence on how a domestic business shapes their strategy to compete with foreign forces. Government policies and regulations have greatly influenced the flow of business activities and operations.

Awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations.

Suggestion for Further Studies

The study seeks to find the factors affecting implementation of the public procurement in SACCO societies in Kenya. Further studies may be done to investigate the effect of other factors that affect SACCO societies such as human resource, economic empowerment of it clients and legislations of SACCOs to deposit taking microfinance institution.

Corresponding Author:

Dr. Mike A. Iravo

School of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, P. O. Box 62000-00200, Nairobi, Kenya. E-mail:mutiriki@gmail.com

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